

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

**Financial Statements and Independent Auditor's Report
For the year ended 31 December 2021**

IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
Financial Statements
For the year ended 31 December 2021

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IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2021.

Incorporation

IDB Trust Services Limited (the "Trustee") was incorporated in Jersey on 17 February 2005 as a limited liability par value company pursuant to the Companies (Jersey) Law 1991, with registered number 89541. The registered office of the Trustee is 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.

All of the issued shares of the Trustee are held by, or on behalf of, Intertrust Corporate Trustee (Jersey) Limited as share trustee, under the terms of a declaration of trust dated 16 February 2005 establishing a charitable trust.

Going Concern

The Trustee is reliant on the continued support of the Islamic Development Bank ("IDB"), in IDB's capacity as the Wakeel (Agent) to service the Sukuk Assets, in respect of the Trustee's ongoing activities. IDB have committed to provide all necessary support and accordingly the Directors have prepared the financial statements on the going concern basis.

Principal Activities

The principal objectives of the Trustee are set out in its Memorandum of Association and these permit the Trustee to act as trustee generally and to issue Trust Certificates in respect of any such Trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money. The Trustee was established to raise capital by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase Sukuk Assets in accordance with a Purchase Agreement.

Results

The statement of comprehensive income for the year is set out on page 9. The Directors recommended the payment of a dividend of GBP 738 (USD 998) for the year ended 31 December 2021 (31 December 2020: USD Nil).

Subsequent Events

Details of subsequent events are set out in note 9 to the financial statements.

Directors

The Directors in office during the year ended 31 December 2021 and when the financial statements were approved are shown on page 8 & 29.

Secretary

The Secretary of the Trustee throughout the year, and subsequently, was Intertrust SPV Services Limited.

By order of the Board

For:



.....
Intertrust SPV Services Limited

May 19, 2022

.....
Date

IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
Statement of Directors' Responsibilities

The Companies (Jersey) Law 1991, as amended (the "Law") requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trustee as at the end of the financial year and of the profit or loss of the Trustee for that year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trustee will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Trustee at that time, and to enable them to ensure that any financial statements prepared comply with the Law. They are also responsible for safeguarding the assets of the Trustee and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of information to be made available to the auditor

The Directors have taken all steps that they ought to have taken to make themselves aware of the information needed by the Trustee's auditor for the purpose of their audit and to ensure that the auditor is aware of that information. The Directors are not aware of any relevant information of which the auditor is unaware.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDB TRUST SERVICES LIMITED

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements of IDB Trust Services Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes 1 to 9 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material



misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies (Jersey) Law 1991. We made enquiries of the Directors to obtain further understanding of risks of non-compliance.



We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Chris Stuart', is located above the printed name.

Christopher Stuart
For and on behalf of BDO Limited
Chartered Accountants
Jersey, Channel Islands
19 May 2022

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current Assets			
Amount due from Islamic Development Bank – Ordinary Capital Resources (IDB-OCR)	2(c)	17,345,450,496	20,459,974,832
Current Assets			
Accrued net income on amount due from IDB-OCR		75,734,300	87,777,725
Total Assets		17,421,184,796	20,547,752,557
LIABILITIES AND SHAREHOLDER'S EQUITY			
Shareholder's Equity			
Share Capital	3	4	4
Non-Current Liabilities			
Trust Certificates	4	17,345,450,492	20,459,974,828
Current Liabilities			
Accrued returns on Trust Certificate		75,734,300	87,777,725
Total Liabilities and Shareholder's Equity		17,421,184,796	20,547,752,557



Director



Director

The financial statements were approved and authorized for issue on May 19, 2022 by the Directors of the Trustee.

The attached notes from 1 through 9 form an integral part of these financial statements.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2021	31 December 2020
Revenue			
Net income on amount due from IDB-OCR	2 (e)	338,046,434	368,373,324
Expenses			
Amortisation of transaction costs on issue of Trust Certificates		(1,615,612)	(1,406,992)
Return on Trust Certificates		(335,621,213)	(366,180,172)
Professional fees		(809,609)	(786,160)
Profit for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-
Dividends paid		-	-
Retained Earnings		-	-

The attached notes from 1 through 9 form an integral part of these financial statements.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2021	31 December 2020
MATERIAL NON-CASH TRANSACTIONS			
Issue of Trust Certificates, the gross proceeds of which were credited directly to IDB-OCR	4	205,285,240	5,796,969,800
Transaction costs, payments of which were made by IDB-OCR	4	(425,188)	(2,280,280)
Redemption of Trust Certificates, payment of which was done directly by IDB-OCR	4	(3,321,000,000)	(2,060,550,685)
Net income received and credited directly to account from IDB-OCR	4	338,046,434	368,373,324
Payments made on behalf of the Trust by IDB-OCR		(347,664,637)	(356,142,225)
Amortisation of transaction costs	4	(1,615,612)	(1,406,992)

Note:

The Trustee does not have any cash funds as all cash transactions are undertaken by IDB-OCR.

The attached notes from 1 through 9 for an integral part of these financial statements.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	Capital	Comprehensive Income	Total Equity
Balance at 1 January 2020	3	4	-	4
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends paid		-	-	-
Balance at 31 December 2020	3	4	-	4
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends paid		-	-	-
Balance at 31 December 2021	3	4	-	4

The attached notes from 1 through 9 form an integral part of these financial statements.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

IDB Trust Services Limited (the "Trustee") was incorporated in Jersey on 8 Muharram 1426H (17 February 2005G) as a limited liability par value company pursuant to the Companies (Jersey) Law 1991, with registration number 89541. The registered office of the Trustee is 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.

The Trustee's authorized share capital is £10,000 (USD 20,000), made up of 10,000 ordinary shares of £1.00 each, of which two ordinary shares of £1.00 (USD 2) each have been issued and are fully paid up.

All of the issued shares of the Trustee are held by, or on behalf of, Intertrust Corporate Trustee (Jersey) Limited as share trustee, under the terms of a declaration of trust dated 7 Muharram 1426H (16 February 2005G) establishing a charitable trust.

The principal objects of the Trustee, as set out in the Memorandum of Association, are to act as trustee generally and to issue trust certificates in respect of any such trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money.

The Trustee was established to raise funds by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Sukuk Assets in accordance with a Trustee Purchase Agreement.

On 25 February 2021, an amended and restated Master Purchase Agreement was entered into between the Trustee and Islamic Development Bank – Ordinary Capital Resources (IDB-OCR), whereby the Trustee may issue, from time to time, up to USD 25 billion of Trust Certificates, in series. This replaced the original Master Purchase Agreement dated 28 July 2009, the 1st amendment to the Master Purchase Agreement dated 27 September 2010, the 2nd amendment to the Master Purchase Agreement dated 8 June 2012, the 3rd amendment to Master Purchase Agreement dated 24 December 2013, the 4th amendment to the Master Purchase Agreement dated 7 October 2015, the 5th amendment to the Master Purchase Agreement dated 7 June 2018 and 6th amendment to the Master Purchase Agreement dated 19 September 2019 allowing the issuance of up to USD 1.5 billion, USD 3.5 billion, USD 6.5 billion, USD 10 billion, USD 25 billion, USD 25 billion and USD 25 billion of Trust Certificates respectively.

As part of the Agreement referred to above, IDB-OCR must, in respect of each series, create a separate and independent portfolio of assets comprising of:

- At least 51% tangible assets, comprised of Leased Assets (Ijara), Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- No more than 49% intangible assets, comprised of Istisna'a Receivables, Loans(Qard) Receivables, Commodity Murabaha Receivable and/or Murabaha Receivables.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements are presented in United States Dollars (USD), which is the Trustee's functional and presentation currency as most of the Trust Certificates are denominated in USD.

The financial statements are prepared on the going concern basis under the historical cost convention.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

(i) Standards, amendments and interpretations that have been adopted by the Trustee:

There were no new standards adopted by the Trustee during the financial period ended 31 December 2021

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

(ii) Standards, amendments and interpretations that became effective for financial periods of the Trustee beginning on or after 1 January 2021 which had no effect on the financial statements of the Trustee.

- Amendment to IFRS 3 Business Combination.
- Amendment to IFRS 16 (Covid-19 Related Rent Concessions)
- Amendment to IAS 1 & IAS 8, New definition of Materiality
- Amendment to references to the conceptual Framework in IFRS Standard.

(iii) New or revised IFRS standards and Interpretations which will become effective for financial periods of the Trustee beginning on or after 1 January 2022.

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. The listing is of standards and interpretations issued and the Trustee intends to adopt the standards that are applicable when they become effective.

- Amendment to IAS 16 Property, Plant and Equipment-Effective date 1 January 2022.
- Amendment to IFRS 3 Business Combination-updating a reference to the conceptual framework – Effective date 1 January 2022.
- Amendment to IAS 37- Provisions, Contingent Assets and Contingent Liabilities – Effective date 1 January 2022.
- Amendment to IAS 1- Presentation of Financial Statements – Effective date 1 January 2023.
- Amendment to IFRS 1- First time adoption of IFRS – Effective date 1 January 2022
- Amendment to IAS 8 – Accounting Policies, changes in accounting estimates and errors – Effective date 1 January 2023.

b) Going concern

The Trustee is reliant on the continued support of the Islamic Development Bank ("IDB"), in IDB's capacity as the Wakeel (Agent) to service the Sukuk assets, in respect of the Trustee's ongoing activities. IDB have committed to provide all necessary support and accordingly the Directors have prepared the financial statements on the going concern basis.

IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the globe including Saudi Arabia. During the year ended 31 December 2020, the Saudi Arabian government rightly took many initiatives to contain the spread of virus, which included restrictions on travel, gathering of people and enactment of curfew timings. This resulted in many non-essential businesses to curtail or suspend activities until further notice.

Considering these factors, the Bank's management carried out an impact assessment on the overall Bank's operations and business aspects including factors like dealing with member countries, continued day to day business activities, financing, investment and collection as well as working capital projections, etc. and concluded that, as at the issuance date of these financial statements, the Bank did not have significant adverse impact on its operations and businesses due to COVID-19 pandemic and no significant changes are required to the judgements, assumptions and key estimates.

To preserve the health of the employees and support the prevention of contagion in the operational and administrative areas, the Bank took measures, in line with the recommendations of the World Health Organisation and Ministry of Health - Kingdom of Saudi Arabia, such as working from home, social distancing at work place, rigorous cleaning of workplaces and staff accommodation, distribution of personal protective equipment, testing of suspected cases, limiting non-essential travel, self-health declarations and measuring body temperature. In addition, the Bank's nature of activities facilitated seamless operations during the pandemic.

The operational and financial impacts of the COVID-19 pandemic to date have been reflected in these financial statements. The strong financial position, including access to funds, nature of activities coupled with the actions taken by the Bank to date and the continued operations ensures that the Bank has the capacity to continue through the challenges caused by impacts of the COVID-19 pandemic. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Loans and receivables (Amount due from Islamic Development Bank – Ordinary Capital Resources)

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Trustee was established to raise funds by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Sukuk Assets in accordance with a Master Purchase Agreement. Legal title of the Sukuk Assets passed from IDB-OCR to the Trustee. However, since IDB-OCR continues to guarantee any shortfall in the return to the Trust Certificate holders, the assets did not satisfy the derecognition criteria of IFRS 9 (as carried over from IAS 39) as the associated risks and rewards have not been transferred. Consequently, the Sukuk Assets continue to be recognized in the financial statements of IDB-OCR.

Accordingly, the Trustee has not recognized the transferred assets, or the associated derivative instruments, in its statement of financial position. The Trustee has recorded these assets as an amount due from IDB-OCR. This amount due is deemed to have the characteristics and terms that mirror the Trust Certificates. The Trustee also recognizes income based on the deemed terms of the amount due from IDB-OCR.

d) Loans and borrowings (Trust Certificates issued)

All loans and borrowings (Trust Certificates issued) are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

e) Revenue recognition

Income is recognized on the amount due from IDB-OCR using the effective interest method on the amount of Trust certificates issued by the Trustee, and including amortization of transaction costs and related professional fees.

f) Amortisation of Transaction costs

Transaction costs incurred on the issuance of Trust Certificates and additional transaction costs incurred over the Trust Certificates period are capitalized. The transaction costs are then amortised over the period of the Trust Certificates on a straight-line basis. The amortization of transaction costs is charged to the statement of comprehensive income.

The unamortized transaction costs in respect of Trust Certificates redeemed earlier than the maturity dates are charged to the statement of comprehensive income when the Trust Certificates are redeemed.

g) Translation of currencies

Transactions in currencies are recorded at the exchange rates prevailing at the dates of the respective transactions. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the statement of financial position date. Foreign currency exchange gains and losses, if any, are credited or charged to the statement of comprehensive income. The Trustee operates in US Dollars, Saudi Riyals, British Pounds and Euros.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment and non-collectability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount. Impairment losses are recognized in the statement of comprehensive income.

i) Cash and cash equivalents

The financial statements of the Trustee do not include any cash funds as all cash transactions are undertaken by IDB-OCR. The cash flow statement therefore comprises of non-cash transactions only.

j) Taxation

The Trustee is liable to pay Jersey income tax at 0%.

k) Expenses

All expenses have been accounted for on the accruals basis.

3. SHARE CAPITAL

Authorised:

10,000 ordinary shares of £ 1.00 each

Allotted, called up and fully paid

2 ordinary shares of £ 1.00 each

2021 USD	2020 USD
20,000	20,000
4	4

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

4. TRUST CERTIFICATES

	2021 USD	2020 USD
Gross value of Trust Certificates in issue at the beginning of the year	20,464,668,156	16,728,249,041
Gross value of Trust Certificates issued during the year	205,285,240	5,796,969,800
Gross value of Trust Certificates redeemed during the year	(3,321,000,000)	(2,060,550,685)
Gross value of Trust Certificates in issue at the end of the year	17,348,953,396	20,464,668,156
Gross value of transaction costs relating to Trust Certificates at the beginning of the year	9,260,341	9,430,643
Gross value of transaction costs incurred during the year	425,188	2,280,820
Gross value of transaction costs written off due to redemption of Trust Certificates during the year	(2,737,059)	(2,451,122)
Gross value of transaction costs at the end of the year	6,948,470	9,260,341
Amortised transaction costs at the beginning of the year	4,567,017	5,611,147
Amortisation for the year	1,615,612	1,406,992
Amortisation written off on redemption during the year	(2,737,059)	(2,451,122)
Amortisation at the end of the year	3,445,570	4,567,017
Net value of transaction costs	3,502,900	4,693,324
Net value of Trust Certificates	17,345,450,496	20,459,974,832

The Trust Certificates issued by the Trustee and referred to below are either listed on the London Stock Exchange, NASDAQ Dubai, Bursa Malaysia Securities Berhad or not listed.

IDB-OCR continues to recognize the Sukuk Assets and records the amounts due to the Trustee and ultimately to the holders of Trust Certificates as a liability in its financial statements. Accordingly, the Trustee has not recognized these assets in these financial statements. The amount paid to IDB-OCR against purchase of these assets is recorded as a receivable from IDB-OCR.

Each Trust Certificate of a particular Series represents an undivided beneficial ownership interest in the Sukuk Assets for such Series. Recourse against the Trustee in respect of its obligations under the Trust Certificates will be limited to the extent that funds for that purpose are available from the relevant Sukuk Assets.

The Hijri dates set out below are based on current expectations of such dates, as at the date of the financial statements. The actual dates may vary.

- a) The Trustee issued Trust Certificates on 10 March 2016 (1 Jumada II 1437H) for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (USD 200 million), Ijara (lease) contracts (USD 431 million) and Istisna'a (conditional sale of item to be manufactured) contracts (USD 869 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 1,887,447. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates matured on 10 March 2021 (26 Shaban 1442H) and conferred on Certificate Holders the right to receive semi-annual distributions commencing 10 September 2016 at the fixed rate of 1.775 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 13,312,500 (31 December 2020: USD 26,625,000) to the Certificate Holders and recognized returns amounting to USD 4,992,188 (31 December 2020: USD 26,669,975).

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

4. TRUST CERTIFICATES (continued)

- b) The Trustee issued Trust Certificates on 19 September 2016 (18 Dhul Hijjah 1437H) for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (USD 27 million), Ijara (lease) contracts (USD 42 million) and Istisna'a (conditional sale of item to be manufactured) contracts (USD 31 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 62,254. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates matured on 19 September 2021 (12 Safar 1443H) and conferred on Certificate Holders the right to receive semi-annual distributions commencing 16 December 2016 at the floating rate of 3M USD LIBOR plus 0.43 per cent per annum payable quarterly in arrears. During the year ended 31 December 2021, the Trustee distributed USD 461,000 (31 December 2020: USD 1,308,000) to the Certificate Holders and recognized returns amounting to USD 438,808 (31 December 2020: USD 1,244,609).

- c) The Trustee issued Trust Certificates on 7 December 2016 (8 Rabi I 1438H) for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (USD 173 million), Ijara (lease) contracts (USD 522 million) and Istisna'a (conditional sale of item to be manufactured) contracts (USD 555 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 400,647. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates matured on 7 December 2021 (3 Jumada I 1443H) and conferred on Certificate Holders the right to receive semi-annual distributions commencing 6 June 2017 at the fixed rate of 2.263 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 28,287,500 (31 December 2020: USD 28,287,500) to the Certificate Holders and recognized returns amounting to USD 26,355,294 (31 December 2020: USD 28,298,001).

- d) The Trustee issued Trust Certificates on 26 November 2018 for USD 471 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 55 million), Sukuk Investments (USD 261 Million) and Loans (USD 161 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof, up to and including USD 399,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 60,640. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates matured on 26 November 2021 and conferred on Certificate Holders the right to receive semi-annual distributions commencing 26 May 2019 at the fixed rate of 3.2867 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 15,480,357 (31 December 2020: USD 15,480,357) to the Certificate Holders and recognized returns amounting to USD 13,983,637 (31 December 2020: USD 15,488,581).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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4. TRUST CERTIFICATES (continued)

- e) The Trustee issued Trust Certificates on 29 February 2016 (20 Jumada I 1437H) for EUR 300 million (USD 326 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts EUR 123 million (USD 134 million), Sukuk investments EUR 111 million (USD 121 million) and Istisna'a (conditional sale of item to be manufactured) contracts EUR 66 million (USD 72 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 20,326 (USD 23,107). The Trust Certificates are listed on the London Stock Exchange.

The Trust Certificates mature on 1 March 2023 (9 Shaban 1444H) and confer on Certificate Holders the right to receive annual distributions commencing 1 March 2017 at the fixed rate of 0.255 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 765,000 (USD 869,652) (31 December 2020: EUR 765,000 (USD 934,295)) to the Certificate Holders and recognized returns amounting to EUR 765,000 (USD 869,652) (31 December 2020 EUR 766,747 (USD 936,428)).

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4. TRUST CERTIFICATES (continued)

- f) The Trustee issued Trust Certificates on 24 February 2017 (27 Jumada I 1438H) for EUR 300 million (USD 316.8 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (EUR 62 million) (USD 65.5 million), Ijara (lease) contracts (EUR 120 million) (USD 126.7 million) and Istisna'a (conditional sale of item to be manufactured) contracts (EUR 118 million) (USD 124.6 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 38,226 (USD 43,455). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 24 February 2024 (14 Shaban 1445H) and confer on Certificate Holders the right to receive annual distributions commencing 24 February 2018 at the fixed rate of 0.374 per cent per annum payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 1,122,000 (USD 1,275,490) (31 December 2020: EUR 1,122,000 (USD 1,370,299)) to the Certificate Holders and recognized returns amounting to EUR 1,121,538 (USD 1,274,965) (31 December 2020: EUR 1,122,462 (USD 1,370,863)).

- g) The Trustee issued Trust Certificates on 27 February 2017 (30th Jumada I 1438H) for EUR 150 million (USD 158.8 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (EUR 55 million) (USD 58.2 million) and Istisna'a (conditional sale of item to be manufactured) contracts (EUR 95 million) (USD 100.6 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 38,226 (USD 43,455). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 27 February 2024 (17 Shaban 1445H) and confer on Certificate Holders the right to receive annual distributions commencing 26 February 2018 at the fixed rate of 0.35 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 525,000 (USD 596,820) (31 December 2020: EUR 525,000 (USD 641,183)) to the Certificate Holders and recognized returns amounting to EUR 524,772 (USD 596,561) (31 December 2020: EUR 525,228 (USD 641,461)).

- h) The Trustee issued Trust Certificates on 12 April 2017 (15 Rajab 1438H) for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (USD 24 million), Ijara (lease) contracts (USD 440 million) and Istisna'a (conditional sale of item to be manufactured) contracts (USD 67 million) and Equity Investment (USD 719 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 566,722. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 12 April 2022 (11 Ramadan 1443H) and confer on Certificate Holders the right to receive semi-annual distributions commencing 12 October 2017 at the fixed rate of 2.393 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 29,912,500 (31 December 2020: USD 29,912,500) to the Certificate Holders and recognized returns amounting to USD 29,912,500 (31 December 2020: USD 29,948,478).

- i) The Trustee issued Trust Certificates on 26 September 2017 (6 Muharram 1439H) for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 815 million), Istisna'a (conditional sale of item to be manufactured) and Instalment Sales contracts (USD 326 million), Istisna'a contracts (USD 77 Million) and Instalment Sales contracts (USD 35 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 648,358. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 26 September 2022 (29 Safar 1444H) and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 March 2018 at the fixed rate of 2.261 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 28,262,500 (31 December 2020: USD 28,262,500) to the Certificate Holders and recognized returns amounting to USD 28,262,500 (31 December 2020: USD 28,303,656).

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4. TRUST CERTIFICATES (continued)

- j) The Trustee issued Trust Certificates on 15 March 2018 for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 360 million), Istisna'a (conditional sale of item to be manufactured) contracts (USD 707 Million), Installment Sales contracts (USD 101 Million) and Loans (USD 90 Million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 725,592. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 15 March 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 15 September 2018 at the fixed rate of 3.1 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 38,750,000 (31 December 2020: USD 38,750,000) to the Certificate Holders and recognized returns amounting to USD 38,750,000 (31 December 2020: USD 38,812,933).

- k) The Trustee issued Trust Certificates on 19 July 2018 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 20 million), Istisna'a (conditional sale of item to be manufactured) contracts (USD 34 Million), and Sukuk Investments (USD 50 Million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 100,000 with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 104,770. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 19 July 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 19 January 2019 at the floating rate of 6M USD LIBOR plus 0.2 per cent per annum payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 493,750 (31 December 2020: USD 2,229,460) to the Certificate Holders and recognized returns amounting to USD 410,308 (31 December 2020: USD 1,383,817).

- l) The Trustee issued Trust Certificates on 26 September 2018 for USD 1,300 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 11 million), Istisna'a (conditional sale of item to be manufactured) contracts (USD 1,052 Million), and Loans (USD 241 Million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof, up to and including USD 399,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 392,464. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 26 September 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 March 2019 at the fixed rate of 3.389 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 44,057,000 (31 December 2020: USD 44,057,000) to the Certificate Holders and recognized returns amounting to USD 44,057,000 (31 December 2020: USD 44,121,196).

- m) The Trustee issued Trust Certificates on 7 November 2018 for EUR 650 million (USD 743 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (EUR 486 million), Installment Sales contracts (EUR 40 million) and Loans (EUR 125 Million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 271,756 (USD 308,933). The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 7 November 2023 and confer on Certificate Holders the right to receive annual distributions commencing 7 November 2019 at the fixed rate of 0.554 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 3,601,000 (USD 4,093,617) (31 December 2020: EUR 3,601,000 (USD 4,397,901)) to the Certificate Holders and recognized returns amounting to EUR 3,601,000 (USD 4,093,617) (31 December 2020: EUR 3,602,456 (USD 4,399,679)).

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4. TRUST CERTIFICATES (continued)

- n) The Trustee issued Trust Certificates on 16 January 2019 for EUR 50 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (EUR 18 million) (USD 20 million) and completed Loans (EUR 33 million) (USD 36 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 33,702 (USD 38,312). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 16 January 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 16 January 2020 at the fixed rate of 0.3850 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 192,500 (USD 218,834) (31 December 2020: EUR 192,500 (USD 235,100)) to the Certificate Holders and recognized returns amounting to EUR 192,477 (USD 218,808) (31 December 2020: EUR 192,523 (USD 235,128)).

- o) The Trustee issued Trust Certificates on 25 April 2019 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 554 million), Sukuk Investments (USD 287 million), Installment sales contract (USD 519 million) and completed Ijarah (USD 164 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 700,548. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 25 April 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 25 October 2019 at the fixed rate of 2.843 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 42,645,000 (31 December 2020: USD 42,645,000) to the Certificate Holders and recognized returns amounting to USD 42,645,000 (31 December 2020: USD 42,687,893).

- p) The Trustee issued Trust Certificates on 02 October 2019 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 426 million), Sukuk Investments (USD 161 million), Ijarah contracts (USD 431 million), Completed Restricted Mudaraba (USD 209 million), Installment sales contracts (USD 228) and Loans (USD 57 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 487,373. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 02 October 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 May 2019 at the fixed rate of 1.957 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 29,370,000 (31 December 2020: USD 29,370,000) to the Certificate Holders and recognized returns amounting to USD 29,370,000 (31 December 2020: USD 29,413,371).

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4. TRUST CERTIFICATES (continued)

- q) The Trustee issued Trust Certificates on 04 December 2019 for EUR 1,000 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 468 million) and ijarah contracts (USD 544 million).

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 333,494 (USD 379,117). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 04 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 04 December 2020 at the fixed rate of 0.037 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 370,000 (USD 420,616) (31 December 2020: 370,000 (USD 451,881)) to the Certificate Holders and recognized returns amounting to EUR 370,000 (USD 420,616) (31 December 2020: EUR 370,075 (USD 451,972)).

- r) The Trustee issued Trust Certificates on 10 December 2019 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 7 million), Sukuk Investments (USD 35 million) and Loans (USD 60 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 100,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 40,508. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 10 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 10 June 2020 at the Floating rate of 3M Libor Plus 0.43 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 594,063 (31 December 2020: USD 1,266,438) to the Certificate Holders and recognized returns amounting to USD 592,823 (31 December 2020: USD 1,193,573).

- s) The Trustee issued Trust Certificates on 10 December 2019 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 10 million), Sukuk Investments (USD 30 million) and Loans (USD 61 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 50,508. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 10 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 10 June 2020 at the floating rate of 3M Libor Plus 0.43 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 594,063 (31 December 2020: USD 1,266,438) to the Certificate Holders and recognized returns amounting to USD 594,823 (31 December 2020: USD 1,193,573).

- t) The Trustee issued Trust Certificates on 11 December 2019 for USD 250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 122 million), Sukuk Investments (USD 60 million) and Loans (USD 82 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 61,758. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 12 November 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 11 June 2020 at the fixed rate of 2 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 5,000,000 (31 December 2020: USD 5,000,000) to the Certificate Holders and recognized returns amounting to USD 5,000,000 (31 December 2020: USD 5,001,501).

- u) The Trustee issued Trust Certificates on 16 January 2020 for EUR 300 million (USD 367 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed Loans EUR 64 million (USD 78 million) and disbursing Istisna'a projects EUR 240 million (USD 293 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 46,983 (USD 53,410). The Trust Certificates are listed on Euronext Dublin.

The Trust Certificates mature on 16 January 2027 and confer on Certificate Holders the right to receive annual distributions

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4. TRUST CERTIFICATES (continued)

commencing 16 January 2021 at the fixed rate of 0.315 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 945,000 (USD 1,074,276) (31 December 2020: EUR NIL) to the Certificate Holders and recognized returns amounting to EUR 944,887 (USD 1,074,147) (31 December 2020: EUR 903,688 (USD 1,103,675)).

- v) The Trustee issued Trust Certificates on 21 January 2020 for USD 550 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed istisna'a/installment sale projects (USD 166 million), disbursing istisna'a (USD 80 million), disbursing Ijarah/installment sales projects (USD 256 million) and Sukuk Investments (USD 50 Million).

The Trust Certificates were issued in denominations of USD 100,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 45,234. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 21 January 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 21 July 2020 at the floating rate of 6M USD LIBOR plus 0.37 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 3,679,500 (31 December 2020: USD 6,171,000) to the Certificate Holders and recognized returns amounting to USD 3,206,889 (31 December 2020: USD 7,964,000).

- w) The Trustee issued Trust Certificates on 10 February 2020 for CNY 1,000 million (USD 153 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans CNY 80 million (USD 12 Million), completed istisna'a CNY 580 million (USD 89 million) and Sukuk Investments CNY 350 million (USD 54 million).

The Trust Certificates were issued in denominations of CNY 1,000,000 (with integral multiples of CNY 1,000,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to CNY 201,585 (USD 31,735). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 10 February 2023 and confer on Certificate Holders the right to receive annual distributions commencing 10 February 2021 at the fixed rate of 2.85 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed CNY 28,500,000 (USD 4,486,755) (31 December 2020: CNY NIL) to the Certificate Holders and recognized returns amounting to CNY 28,491,253 (USD 4,485,378) (31 December 2020: CNY 25,307,377 (USD 3,878,609)).

- x) The Trustee issued Trust Certificates on 26 February 2020 for USD 2,000 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Completed istisna'a (USD 452 million), completed installment sales (USD 102 million), completed loans (USD 37 million), completed Ijarah (USD 198 million), disbursing istisna'a projects (USD 542 million), Sukuk Investments (USD 556 million) and disbursing installment sales (USD 119 Million) from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 366,867. The Trust Certificates are listed on Euronext Dublin, DIFC and Bursa Malaysia.

The Trust Certificates mature on 26 February 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 August 2020 at the fixed rate of 1.809 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 36,180,000 (31 December 2020: USD 18,090,000) to the Certificate Holders and recognized returns amounting to USD 36,249,742 (31 December 2020: USD 30,713,242).

- y) The Trustee issued Trust Certificates on 28 May 2020 for GBP 90 million (USD 123 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans GBP 28 million (USD 38 million), completed Ijarah GBP 15 million (USD 20 million) and disbursing istisna'a projects GBP 48 million (USD 66 Million) from IDB-OCR

The Trust Certificates were issued in denominations of GBP 100,000 (with integral multiples of GBP 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to GBP 51,760 (USD 70,026). The Trust Certificates are listed on Euronext Dublin

The Trust Certificates mature on 28 May 2029 and confer on Certificate Holders the right to receive semi-annual distributions commencing 28 November 2020 at the fixed rate of 0.964 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed GBP 867,60000 (USD 1,173,785) (31 December 2020: GBP 433,800 (USD 593,135)) to the Certificate Holders and recognized returns amounting to GBP 867,600 (USD 1,173,785) (31 December 2020: GBP 511,601 (USD 699,512)).

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4. TRUST CERTIFICATES (continued)

- z) The Trustee issued Trust Certificates on 25 June 2020 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale and istisna'a projects (USD 65 Million), completed loans (USD 38 million), murabaha contracts (USD 357 million), disbursing projects (USD 323 million), Sukuk Investments (USD 560 Million) and completed ijarah projects (USD 158 million) from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 748,444. The Trust Certificates are listed on Euronext Dublin, DIFC and Bursa Malaysia.

The Trust Certificates mature on 25 June 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 25 December 2020 at the fixed rate of 0.908 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 13,620,000 (31 December 2020: USD 6,810,000) to the Certificate Holders and recognized returns amounting to USD 13,620,000 (31 December 2020: USD 7,033,279).

- aa) The Trustee issued Trust Certificates on 26 June 2020 for GBP 153 million (USD 209 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans GBP 11 million (USD 16 million), murabaha contracts GBP 89 million (USD 122 million), disbursing projects GBP 28 million (USD 39 million) and Sukuk Investments GBP 25 million (USD 36 million).

The Trust Certificates were issued in denominations of GBP 100,000 (with integral multiples of GBP 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to GBP 38,750 (USD 52,425). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 26 June 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 December 2020 at the fixed rate of 0.40 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed GBP 612,000 (USD 827,981) (31 December 2020: GBP 306,000 (USD 418,394) to the Certificate Holders and recognized returns amounting to GBP 612,000 (USD 827,981) (31 December 2020: GBP 620,361 (USD 848,219).

- ab) The Trustee issued Trust Certificates on 16 July 2020 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale and Istisna'a projects (USD 43 million), Sukuk Investments (USD 40 million) and disbursing projects (USD 18 million) from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 153,030. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 16 July 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 16 January 2021 at the fixed rate of 0.8815 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD 881,500 (31 December 2020: USD NIL) to the Certificate Holders and recognized returns amounting to USD 881,500 (31 December 2020: USD 402,424).

- ac) The Trustee issued Trust Certificates on 30 September 2020 for EUR 450 million (USD 549 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale & Istisna'a projects EUR 152 million (USD 15 million), completed loans EUR 14 million (USD 17 million), murabaha contracts EUR 117 million (USD 143 million), disbursing projects EUR 246 million (USD 300 million) and completed ijarah & rest mudarabah projects EUR 61 million (USD 74 Million) from IDB-OCR

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 49,058 (USD 55,769). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 30 September 2026 and confer on Certificate Holders the right to receive annual distributions commencing 30 September 2021 at the fixed rate of 0.10 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed EUR 450,000 (USD 511,560), (31 December 2020: USD NIL) to the Certificate Holders and recognized returns amounting to EUR 450,000 (USD 511,560) (31 December 2020: EUR 113,425 (USD 138,526).

- ad) The Trustee issued Trust Certificates on 27 April 2021 for USD 400 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sales and istisnaa projects USD 18.3 million, Sukuk investments USD 85 million), completed loans USD28.4 million, disbursing projects USD200.8 million and completed ijarah projects and rest murabaha USD72.9 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 238,229. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 27 April 2024 and conferred on Certificate Holders the right to receive quarterly distributions commencing 27 July 2021 at the floating rate of 3M SOFR + 0.25 per cent per annum, payable quarterly in arrears. During the year ended 31 December 2021, the Trustee distributed USD 534,020 (31 December 2020: NIL)) to the Certificate Holders and recognized returns amounting to USD 750,216 (31 December 2020: NIL)

- ae) The Trustee issued Trust Certificates on 16 August 2021 for USD 75 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sales and istisnaa projects USD 15 million, completed loans USD 8.1 million and disbursing projects USD53.3 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 50,402. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 16 August 2024 and conferred on Certificate Holders the right to receive annual distributions commencing 16 August 2022 at the fixed rate of 0.789 per cent per annum, payable annually in arrears. During the year ended 31 December 2021, the Trustee distributed USD NIL (31 December 2020: NIL) to the Certificate Holders and recognized returns amounting to USD 2,916 (31 December 2020: NIL).

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT

The Trustee has issued financial instruments in the form of Trust Certificates. The Trustee has used the proceeds of the Trust Certificates issuance to purchase a portfolio of Sukuk Assets and has the benefit of a liquidity facility available from IDB-OCR in order to ensure that sufficient returns are generated to meet its liabilities to Trust Certificate Holders. It is intended that all financial instruments will be held until maturity and that the Trustee will not trade in financial instruments.

a) Sensitivity analysis

IFRS 7 requires disclosure of 'a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date'. Whilst the financial instruments are separately exposed to investment return risk and market price risk, the profit or loss and equity of the Trustee is not exposed to any significant investment return risk or market price risk. Therefore, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Trustee, the maximum credit risk exposure to the Trustee is the carrying value as disclosed in the statement of financial position. The Trustee's credit risk is concentrated in the amount due from IDB-OCR.

The Trustee is subject to the risk of default in payment by the obligors under each of the Ijara contracts, Sukuk Investments, Murabaha contracts, Instalment sales and Istisna'a contracts comprised in the Sukuk Assets. This risk is addressed in respect of the Trust Certificates by IDB-OCR, primarily pursuant to a combination of a Liquidity Facility and Purchase Undertaking Deed. IDB-OCR has agreed to make advances to the Trustee pursuant to the Liquidity Facility Agreement to allow timely payment of amounts due to Trust Certificate Holders. Furthermore, the exercise price payable by IDB-OCR in respect of any Sukuk Assets under the Purchase Undertaking Deed will be based on (a) the aggregate nominal amount of the relevant series of Trust Certificates and (b) the amount of payable but unpaid periodic distribution amounts on such date.

The Trustee is of the opinion that no credit loss is likely to occur.

c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trustee does not trade in currencies and is therefore not exposed to currency trading risk.

In addition, IDB-OCR bears any exchange loss arising from the underlying Sukuk Assets, such as the GBP and Euro denominated Sukuks, and the Trustee is not exposed to any currency risk related to those assets.

d) Liquidity risk

Liquidity risk is the risk that the Trustee will not be able to meet its commitments associated with the financial liabilities when they fall due. The Trustee is not exposed to such a risk as IDB-OCR guarantees any shortfall in the scheduled installments.

e) Investment return risk

The income received from IDB-OCR will be matched by the distribution amounts payable to the holders of the Trust Certificates. The Directors therefore believe that there is no investment return risk.

f) Maturity of financial assets and liabilities

The maturity profile of the Trustee's financial assets and financial liabilities is as follows:

	31-Dec-2021		31-Dec-2020	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	USD	USD	USD	USD
In three months	-	-	1,500,000,000	1,500,000,000
In three to twelve months	2,500,000,000	2,500,000,000	1,821,000,000	1,821,000,000
In more than one year but less than two years	4,094,385,486	4,094,385,486	2,500,000,000	2,500,000,000
In two to five years	10,291,765,569	10,291,765,569	13,604,636,828	13,604,636,828
In more than five years	462,802,341	462,802,341	1,039,031,328	1,039,031,328
Total	17,348,953,396	17,348,953,396	20,464,668,156	20,464,668,156

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

(All amounts expressed in United States Dollars unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (continued)

g) Capital Risk Management

The Trustee's objectives when managing capital is to safeguard the Trustee's ability to continue as a going concern. IDB- OCR has committed to provide all necessary support to the Trustee.

6. RELATED PARTIES

The shares in IDB Trust Services Limited are owned by Intertrust SPV Services Limited, as trustee of the IDB Trust Services Charitable Trust.

Ryan Mendez and Ellen Chislett are directors of Intertrust SPV Services Limited and Cheryl Heslop was a director of Intertrust SPV Services Limited for the year 2021, which receives fees for the provision of company secretarial and other administrative services. Administration expenses represent fees paid to Intertrust SPV Services Limited of USD 145,017 (2020: USD249,109).

7. ULTIMATE CONTROLLING PARTY

The Trustee is wholly-owned by Intertrust SPV Services Limited, as Trustee of the IDB Trust Services Charitable Trust. The Directors of the Trustee consider Intertrust SPV Services Limited, as trustee of the IDB Trust Services Charitable Trust, to be the ultimate controlling party of the Trustee.

8. BENCHMARK TRANSITION

Since 2018, the bank initiated the Libor transition programme which continues to date. A major milestone was achieved during 2021 when the Libor transition programme was empowered by H.E. The President by approving a detailed governance structure for this project and by allocation of substantial resources. A cross functional team is tasked with the development of new replacement methodology based on risk-free rate ('RFR') products and transition from legacy Libor contracts.

The Bank's exposure to Libor transition is limited in one (1) currency i.e., USD whereas for EUR, the exposure is against EURIBOR which is not subject to cessation.

In the year 2021, various key milestones were overcome involving i) formulation of detailed implementation roadmap and action plan with the help of an external consultant, ii) formulation and incorporation of enhanced 'fallback' clause for all prospective contracts, iii) obtaining clearance from Shariah Technical Committee on use of CME Term SOFR (Chicago Mercantile Exchange 'CME' is an American global markets company. It is the world's largest financial derivatives exchange. CME Group estimates the Term SOFR Reference Rates benchmark as a daily set of forward-looking profit rates for 1-month, 3-month, 6-month and 12-month tenors) as preferred replacement rate to USD Libor, iv) revision in the Sovereign Pricing policy based on new benchmark rates, v) resource mobilization based on SOFR curve and maintaining the cost pass through mechanism to minimize the ALM (Asset and Liability Management) risks, and vi) initiation of system upgradation project to enable the use of new pricing policy and reference rates.

Profit Rate Risk Management

The Bank is exposed to the Profit Rate risk, and it is actively managed by the Asset and Liability Management Committee (ALCO). Given that the exposures in bank's statement of financial position are recorded mostly at amortized costs, the Bank has a minimum exposure to revaluation risk. The Bank's ALM Framework imposes the principles of matched funding and natural hedging; any residual profit rate risk in banking book is managed via hedging activities and by application of hedge accounting principles.

The bank has historically used USD Libor, US Mid-Swap and EURIBOR benchmark rates as reference rates for pricing financial exposures (both assets and liabilities). The EURIBOR is not expected to be discontinued and hence the bank can continue using it in future, since EURIBOR has already transitioned to the new principles of transaction-based methodology from earlier quotation-based methodology. As of now, the Bank's management has taken a decision to replace the USD Libor and USD Mid-Swap rates with the CME Term SOFR and USD OIS Mid-Swap rates in respective tenors.

The Bank's decision to select the CME Term SOFR as a replacement rate to USD Libor is based on its functional similarities to the sun-settled Libor rate. In fact, given it is also a forward-looking term rate and hence its selection as replacement rate is expected to result in minimal implication. Additionally, the revised Sovereign Pricing policy has been formulated in such a way that the transition from Libor is not expected to create any impact in terms of changes in economic value at the individual contract level. The revised Sovereign Pricing policy will be effective following its approval from BED.

Risks arising from the benchmark reform

The following are the key risk for the Bank that arose from the benchmark transition.

1. Shariah risk: Given that the Bank must abide by the Shariah principles, the clearance on use of a new benchmark rate for pricing the financial exposures was one of the major milestones in Bank's transition programme. However, this risk has been addressed by obtaining the clearance from IsDB's Shariah Technical Committee on use of CME Term SOFR as replacement benchmark.
2. Legal risk: There is a possibility of not reaching an agreement with the counterparts on revised pricing particularly on the legacy contracts. This could be a result of having ineffective fallback clauses in the signed legal agreements. This risk has been addressed by appointing external Law firm to develop the 'Fallback' clause which has been added to all new contracts. Another Law firm is in process of onboarding to address the conversion of Legacy contracts.
3. IT and system risks: It is expected that the booking of new contracts and conversion of legacy contracts from old benchmark to new will require certain enhancements in system functionalities and processes. This risk is addressed by performing the testing on existing systems, by identifying gaps and by upgrading the Bank's core banking systems to the latest versions that offer the needed functionality required for utilizing the new reference rates.

Progress towards adoption of alternative benchmark rates

All newly transacted contracts that referenced a benchmark rate for pricing are already executed with the improved fallback clause. All the sovereign financing contracts will adopt the new pricing policy which is based on alternative benchmark rates.

The bank's main risk policies such as ALM Framework, Exposure Management Framework and Liquidity Policy will remain effective without requiring any change due to benchmark reform.

During 2021, the Bank has issued USD 400 million Sukuk which is linked to SOFR. The Bank is in process of formulating the strategy for transition on its outstanding legacy contracts in accordance with the June 2023 timeline for complete decommissioning of Libor rates.

Profit rate benchmark transition for non-derivative financial contracts

For EUR denominated contracts, the Bank has historically used EURIBOR as benchmark rate. Therefore, no impact is expected for the Bank because the EURIBOR is not expected to be discontinued since it has already been transformed back in 2019 by the regulator.

For the legacy contracts in Treasury portfolio, the strategy is to wait for the Issuer to propose the alternate pricing to all the issue participants. This is because IsDB is only a participant investor amongst many other investors and hence cannot determine and negotiate an alternate rate on its own. In the absence of any such alternate rate from issuer, it is not possible nor logical to run the impact analysis. Therefore, for legacy treasury assets, strategy is to wait till Q3-Q4 2022 for issuer to propose an alternate rate and if not, Treasury will formulate an exit strategy for all such trades.

Same is the case of legacy contracts for non-sovereign financing. IsDB is part of large PPP syndicates and hence IsDB is unable to negotiate an alternate rate with the counterparty. The Syndicate leads are expected to propose alternate rates based on which, IsDB will run the assessment and decide accordingly.

For legacy contracts on Capital Markets, the only exposure linked to Libor is a bilateral exposure with another group entity. Therefore, the strategy is to continue with it till the time we have clarity on all the viable alternate pricing options on the Treasury assets so that the same could be discussed and negotiated with the group entity to agree on one of them.

For legacy contracts for sovereign financing, the Bank has decided to follow a gradual approach by allowing early adoption option to its member countries on selective basis. During this period, member countries will be offered the conversion option to the new Sovereign Pricing policy. The relevant regional hubs will accordingly present the new pricing policy and markup rate structure to the member countries.

9. SUBSEQUENT EVENTS

No subsequent events.

GENERAL INFORMATION

DIRECTORS	Ryan Mendez Ellen Chislett (appointment date 28/10/2021) Cheryl Heslop (resignation date 28/10/2021)
SECRETARY	Intertrust SPV Services Limited 44 Esplanade, St Helier Jersey, JE4 9WG Channel Islands
REGISTERED OFFICE	44 Esplanade, St Helier Jersey, JE4 9WG Channel Islands
INDEPENDENT AUDITORS	BDO Limited Windward House La Route de la Liberation St Helier Jersey JE1 1BG Channel Islands